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Amendments to Senate Bill No. 195 Date 2 23-07 1st Reading Copy

Bill No. 56 195

Requested by Senator Greq Lind

For the Senate Natural Resources and Energy Committee

Prepared by Todd Everts February 21, 2007 (1:49pm)

1. Title, line 5 through line 14.

Strike: "ELIMINATING" on line 5 through "MCA" on line 14 Insert: "ELIMINATING THE REQUIREMENT THAT A PUBLIC UTILITY FUNCTIONALLY SEPARATE ITS ELECTRICITY SUPPLY, RETAIL TRANSMISSION, RETAIL DISTRIBUTION, AND REGULATED AND UNREGULATED RETAIL ENERGY SERVICES IN MONTANA; AND AMENDING SECTION 69-8-204, MCA"

2. Page 1, line 18 through page 20, line 18 Strike: everything after the enacting clause

Insert: "Section 1. Section 69-8-204, MCA, is amended to read:

"69-8-204. Public utility -- functional separation, divestiture, and nondiscrimination. (1) To the extent that a public utility is vertically integrated, a public utility shall functionally separate the public utility's electricity supply, retail transmission, retail distribution, and regulated and unregulated retail energy services operations in the state of Montana, upon application to and approval from the commission.

(2) (1) Public utilities shall:

- (a) prevent undue discrimination in favor of their own power supply, other services, divisions, or affiliates, if any;
- (b) prevent any other forms of self-dealing that could result in noncompetitive electricity prices to customers; and
- grant customers and their electricity suppliers access to the public utility's retail transmission and distribution system on a nondiscriminatory basis at rates, terms, and conditions of service comparable to the use of the retail transmission and distribution system by the public utility and the public utility's affiliates.
- $\frac{(3)}{(2)}$ The provisions of this section are satisfied if the public utility adopts and complies with a code of conduct consistent with the federal energy regulatory commission approved code of conduct pursuant to 18 CFR, part 37, and commission rules and orders."

{Internal References to 69-8-204: 69-8-201x}"

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